

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:
Hope Post Office
Hope, Minnesota 56046

Docket No. A2012-105

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(February 23, 2012)

On December 28, 2011, the Postal Regulatory Commission (Commission) received two appeals, from Ed Nelson and Marcia Dahle, objecting to the discontinuance of the Post Office at Hope, Minnesota¹: On January 6, 2012 the Commission received two more appeal, from Dale E. Wilka and Kurt Miller. The Commission issued Order No. 1110, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. §404(d), on January 6, 2012.. In accordance with Order No. 1110, the administrative record was filed with the Commission on January 12, 2012. On January 20, 2012 the Commission received an appeal from Doris Krause.²

¹ This discontinuance was conducted pursuant to Handbook PO-101, dated August 2004, and updated with Postal Bulletin revisions through August 2, 2007.

² On January 20, 2012 the Commission received a letter from James Krause in which he asserted that closing the Hope Post Office would be inconvenient for the community and further stating that he disagreed with the Postal Service findings and summaries. On February 6, 2012 Ms. Krause and Mr. Nelson submitted Participant Statements.

Petitioners raise three principal issues concerning the discontinuance: (1) the impact on the provision of postal services, (2) the impact upon the Hope community, and (3) the calculation of economic savings expected to result from discontinuing the Hope Post Office. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. Consistent with the Postal Service's statutory obligations and Commission precedent,³ the Postal Service considered a number of other issues, including the impact upon postal employees. Accordingly, the Final Determination to discontinue the Hope Post Office should be affirmed.

Background

The Final Determination To Close the Hope, MN Post Office and Establish Service by Rural Route Service ("Final Determination" or "FD"),⁴ as well as the administrative record, indicate that the Hope Post Office provides EAS-55 level service to 62 P.O. Box customers and to retail and walk-in customers from 9:30 a.m. to 12:30 p.m. and from 1:00 p.m. to 4:00 p.m. Monday through Friday and from 9:00 a.m. to 11:00 a.m. on Saturday.⁵ Retail services include the sale of stamps, stamped paper, and money orders; special services such as Registered

³ See 39 U.S.C. §404(d) (2)(A).

⁴ The Final Determination can be found at Item 47 in the Administrative Record. All citations to the Final Determination will be to "FD at ____," rather than to the item number. The FD page number refers to the pages as marked on the upper left of the FD. Other items in the administrative record are referred to as "Item No. ____."

⁵ FD at 2, Item No. 15, Post Office Survey Sheet; Item No. 33, Proposal, at 2; Item No. 41, Revised Proposal, at 2.

Mail, Certified Mail, Insured Mail, COD Mail, and Express Mail services; and the acceptance and dispatch of all classes of mail. The postmaster position became vacant when the postmaster retired on November 1, 1996. Since the postmaster vacancy, a non career postmaster relief (“PMR”), or officer-in-charge (“OIC”), was installed to operate the office. Postmaster level and office service hours are determined by a workload analysis which includes the number of deliveries and revenue.⁶ When the study was conducted, the non-career PMR was still serving as the OIC. If the Final Determination to discontinue the Hope Post Office is affirmed, the non-career PMR may be separated from the Postal Service; no other Postal Service employee will be adversely affected.⁷

The average number of daily retail window transactions at the Hope Post Office is eight, accounting for seven minutes of retail work daily.⁸ Revenue at the Hope Post Office is low, although it has fluctuated; it rose from \$32,121 in FY 2008 to \$47,344 in FY 2009, dropped to \$23,599 in FY 2010.⁹

Upon implementation of the Final Determination, retail and delivery service will be provided by rural route carrier emanating from the Ellendale Post Office. which will offer retail services. The Ellendale Post Office,¹⁰ an EAS-16 level

⁶ FD at 2; Item No. 33, Proposal, at 2; Item No. 41, Revised Proposal, at 2.

⁷ FD at 6; Item No. 33, Proposal, at 8; Item No. 41, Revised Proposal, at 8.

⁸ FD at 2; Item No. 10, Window Transaction Survey; Item No. 33, Proposal, at 2; Item No. 41, Revised Proposal, at t 2

⁹ FD at 2; Item No. 18, Postal Service Form 4920; Item No. 33, Proposal, at 2; Item No. 41, Revised Proposal, at 2.

¹⁰ The Ellendale Post Office is not listed as a candidate for discontinuance as part of the Retail

office located 3.2 miles away¹¹ offers window service hours from 8:00 a.m. to 11:30 a.m. and 1:00 p.m. to 4:15 p.m. Monday through Friday and between 8:30 a.m. and 9:30 a.m. on Saturday. There are 145 P.O. Boxes available at Ellendale.¹²

The Postal Service followed proper procedures that led to the posting of the Final Determination. Issues raised by the customers of the Hope Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements.¹³ In addition to the posting of the Proposal and Final Determination at both the Hope and Ellendale Post Offices, customers received notice through other means. Questionnaires were distributed to all P.O. Box customers of the Hope Post Office. Questionnaires were also available to retail and walk-in customers over the counter at the Hope Post Office.¹⁴ Questionnaires were accompanied by a letter from the Manager of Postal Operations, Michael Stevens, which advised customers that the Postal

Access Optimization Initiative (PRC Docket No. N2011-1).

¹¹ FD at 2; Item No. 18, Postal Service Form 4920; Item No. 33, Proposal, at 2; Item No. 41, Revised Proposal, at 2.

¹² FD at 2; Item No. 18, PS Form 4920; Item No. 33, Proposal, at 2; Item No. 41, Revised Proposal, at 2.

¹³ The Proposal and Invitation for Comments on the Proposal to Close the Hope, MN Post office and Establish Service by Rural Route Service were posted at both the Hope Post Office and the Ellendale Post Office between July 13, 2011 and September 13, 2011 (Item No. 36, Round Date Stamped Proposals and Invitations for Comments from Affected Offices). The Final Determination was posted at both Post Offices on December 6, 2011 (Item No. 49, Round Date Stamped Final Determination, at 1 and 2).

¹⁴ FD at 2; Item No. 20, Questionnaire Instruction Letter to Postmaster/OIC; Item No. 33, Proposal, at 2. Item No. 41, Revised Proposal, at 2. Notice by these methods complies with all regulations in 39 C.F.R. Pt. 241.3 and procedures specified in Handbook PO-101.

Service was studying the possible closing or consolidation of the Hope Post Office due to decreasing workload and decreasing revenue over the last three years. The Postal Service was studying whether to provide pickup and delivery of mail, as well as the sale of stamps and other customary postal services, by rural route delivery service emanating from the Ellendale Post office. If the change to carrier service were implemented, customers would continue to use the Hope, MN name as the city name in the last line of addresses, although the ZIP code would change to 56028 to insure regular and effective service.¹⁵ The letter invited customers to complete and return a customer questionnaire.¹⁶ The Postal Service distributed questionnaires to sixty –two customers. Thirty-five customers returned completed questionnaires; 4 were favorable to the proposal, 18 were unfavorable, and 12 expressed no opinion.¹⁷ The Postal Service considered and addressed their concerns in written response letters, in the Proposal, and in the Final Determination.¹⁸

Representatives from the Postal Service were available during a community meeting on April 13, 2011 to answer questions and provide

¹⁵ Item No. 21, Cover Letter, Questionnaire and Enclosures, at 1.

¹⁶ Item No. 21, Cover Letter, Questionnaire and Enclosures, at 1.

¹⁷ FD at 2; Item No. 22, Returned Customer Questionnaires and Postal Service Response Letters; Item No. 33, Proposal, at 2; Item No. 41, Revised Proposal, at 2. In the Postal Service Customer Questionnaire Analysis (Item No. 23) the tabulation of responses on page 1 lists 19 unfavorable questionnaires, although the following pages include only 18, of which 11 are characterized as unfavorable and 7 as no opinion but expressing concerns.

¹⁸ FD at 2-4; Item No. 22, Returned Customer Questionnaires and Postal Service Response Letters at 1-36; Item No. 23, Postal Service Customer Questionnaire Analysis, at 1-4; Item No. 33, Proposal, at 2-4.; Item No. 41, Revised Proposal, at 2-4.

information to customers; 28 customers attended.¹⁹ The Postal Service representatives responded to customer questions and concerns.²⁰

Customers received formal notice of the Proposal, which was posted with an invitation for public comment at the Hope and Ellendale Post Offices for 60 days from July 13, 2011 to September 13, 2011.²¹

After the Proposal was posted, the Postal Service received two written comments. James R. Krause questioned the Postal Service cost savings in a letter received August 1, 2011.²² The Postal Service responded in writing on the same day, describing its extensive cost-reduction initiatives, and expressing confidence that the alternate service listed in the Proposal would continue to provide effective and regular postal service.²³ On July 26, 2011 Doris Stadheim submitted an Optional Comment Form, stating (a) that she lived closer to Owatonna than to Ellendale and (b) expressing her support for the OIC.²⁴ The Postal Service responded on August 10, 2011, explaining that the delivery route

¹⁹ FD at 2-4; Item No. 24 Community Meeting Roster, at 1-2.

²⁰ FD 2-7; Item No. 25, Community Meeting Analysis; Item No. 33, Proposal, at 2-7; Item No 41, Revised Proposal, at 2-7

²¹ FD at 2; Item No. 36, Round Date Stamped Proposals and Invitations for Comments from Affected Offices.

²² Item No.38, Proposal Comments and Postal Service Response Letters, at 2A. Attached to Mr. Krause's letter was a petition containing 247 signatures, requesting that the Postal Service reconsider its Proposal (Item No. 38, Proposal Comments and Postal Response letters, at 2B-2M). The Postal Service considered and addressed the petition in the revised Proposal (Item No. 41, Revised Proposal, at 2-6) and in the Final Determination (FD at 2-6).

²³ Item No. 38, Proposal Comments and Postal Service Response Letters, at 1.

²⁴ Item No. 38, Proposal Comments and Postal Service Response Letters, at 4.

emanating from the Ellendale Post Office was carefully reviewed to ensure that the most cost-efficient service is provided for all customers.²⁵

The Postal Service revised the Proposal to incorporate the two comments, and responses thereto, received during the Proposal posting period.²⁶

Thereafter, on December 1, 2011, the Postal Service issued its Final Determination. The Final Determination was posted at the Hope Post Office and at the Ellendale Post Office on December 7, 2011, as confirmed by the round date stamped Final Determination.²⁷

In light of the postmaster vacancy, declining workload, the variety of delivery and retail options (including the convenience of rural route delivery, the expected financial savings, and limited effect on Postal Service employees,²⁸ the Postal Service issued its Final Determination. Regular and effective postal services will continue to be provided to the Hope community in a cost-effective manner upon implementation of the Final Determination.²⁹ The issues raised by the Petitioners are addressed below.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. §404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered

²⁵ Item No. 38, Proposal Comments and Postal Service Response Letters, at 3. The response also noted Ms. Stadheim's comments about the OIC.

²⁶ Item No. 41, Revised Proposal.

²⁷ Item No. 49, Round Date Stamped Final Determination, at 1-2.

²⁸ FD at 32; Item No. 7; Item No. 33, Proposal, at 8; Item No. 41, Revised Proposal, at 8.

²⁹ FD at 2.

the effect of closing the Hope Post Office on postal services provided to Hope customers. The closing is premised upon providing regular and effective postal services to Hope customers. The Postal Service has considered the impact of closing the Hope Post Office upon the provision of postal services to Hope customers.³⁰

Upon implementation of the Final Determination, delivery and retail services will be provided by rural route service emanating from the Ellendale Post Office. In addition to rural route delivery service, customers may also access postal services at the Ellendale Post Office, located 3.2 miles away. Customers can also visit any other Post Office proximate to their employment or other activities to complete postal transactions. The window service hours of the Ellendale Post Office are from 8:00 a.m. to 11:30 a.m. and 1:00 p.m. to 4:15 p.m., Monday through Friday, and between 8:30 a.m. and 9:30 a.m. on Saturday.³¹

Petitioners were concerned about the effect on postal services of the Hope Post Office closing, noting the convenience of the Hope Post Office and requesting its retention. They contend that service through the Ellendale Post Office will not provide a maximum degree of effective postal services for several reasons: (1) customers should not have to travel to Ellendale, thereby consuming time and money on gas to access services; (2) customers may have

³⁰ FD at 2-7; Item No. 33, Proposal, at 2-8; Item No. 41, Revised Proposal, at 2-8.

³¹ FD at 2; Item No. 18, Postal Form 4920; Item No. 33, Proposal, at 2; Item No. 41, Revised Proposal, at 2.

problems obtaining services from the rural carrier; (3) rural route delivery service is not secure against theft; (4) senior citizens may be adversely affected; (5) the rural route carrier may not be able to handle large parcels; (6) delivery hours by the rural route delivery carrier may be at irregular times; (7) the prospect of dealing with rude employees at the Ellendale Post office; and (8) the cost of installing and maintaining a mail box for rural route delivery. These concerns were considered and addressed by the Postal Service during the discontinuance study and are addressed below.

Petitioners questioned why customers would have to travel to the Ellendale Post Office for service. Customers, however, will not be required to travel to another Post Office to receive or obtain delivery and most retail services. Many of these services will be provided by the rural route carrier at a roadside mailbox located close to customer residences. In hardship cases, delivery can be made to the home of the customer. Changes in the type of delivery are considered where service by existing methods would pose an extreme physical hardship for an individual customer. Such requests can be submitted in writing to the Ellendale Postmaster. Customers that received P.O. Box service at Hope can choose to continue P.O. Box service at the Ellendale Post Office, if they prefer.

Retail services provided at the Post Office are also available from the rural route carrier³².

Moreover, the rural route carrier can perform many functions when the carrier delivers the mail, thus avoiding any need to go to a Post Office for most transactions. The Postal Service offers various convenient options that can save customers a trip to the Post Office or having to interact directly with a carrier. Stamps by Mail and Money Order Application forms are available for customer convenience.³³

In response to questions about mail security, the Postal Service advised customers throughout the discontinuance study that they may lock their mailboxes so long as the mailbox has a slot large enough to accommodate the customers' normal daily mail.³⁴ The records of the Postal Inspection Service indicate one incident of mail theft or vandalism; the Steele County Sheriff's Department has no record of mail theft or vandalism in the area.³⁵ As such, there appears to be minimal risk that security of mail will be impacted by the closing of the Hope Post Office.

³² FD at 3; Item No. 23, Postal Service Customer Questionnaire Analysis, at 3; Item No. 33, Proposal, at 3; Item No. 41, Revised Proposal, at 3. There are 145 P.O. Boxes available at the Ellendale Post Office (Item No. 18, Postal Form 4920).

³³ FD at 4; Item No. 22, Returned Questionnaires and Postal Service Response Letters, at 2, 12, 14, 21, 32, 33, 34; Item No. 23, Analysis of Questionnaires, at 3; Item No. 33, Proposal, at 3 and 4; Item No. 41, Revised Proposal, at 3 and 4.

³⁴ FD at 3; Item No. 22, Returned Customer Questionnaires and Postal Service Response Letters, at 11 and 22; Item No. 23, Analysis of Questionnaires, at 1 and 2; Item No. 33, Proposal, at 2; Item No. 41, Revised Proposal, at 3.

³⁵ Item No.14, Inspection Service Vandalism Report, at 1-2.

Petitioners raised concerns about the affect of closing Hope Post Office on senior citizens. The Postal Service explained that rural carrier service is especially beneficial to many senior citizens and those who face special challenges. The carrier can provide delivery and retail services via roadside mailboxes or cluster box units. Most transactions do not even require meeting the carrier at the mailbox. Customers do not have to make a special trip to the post office for service. On request, special provisions are made for hardship cases or special customer needs.³⁶

With respect to the receipt of large parcels, the Postal Service explained during the community meeting and in response to customer questionnaires that if a customer lives less than one-half mile from the line of travel, the carrier will attempt delivery of items to the customer's residence. If the customer lives over one-half mile away or is not home when delivery is attempted, a notice will be left in the mailbox. Attempted delivery items will be taken back to the administrative Post Office. Customers may pick up the item at the Post Office, request redelivery on another day or authorize delivery to another party.³⁷

Petitioner questioned whether there would be regular delivery times or if the delivery could be in the morning. The Postal Service explained that carriers

³⁶ FD at 3 and 5; Item No. 22, Returned Customer Questionnaires and Postal Service Response Letters, at 1; Item No. 23, Postal Service Returned Questionnaire Analysis, at 1; Item No. 25, Community Meeting Analysis, at 2; Item No. 33, Proposal, at 3 and 7; Item No. 41, Revised Proposal, at 3 and 7.

³⁷ FD at 2; Item No. 22, Postal Service Response Letters, at 25; Item No. 25, Community Meeting Analysis, at 2; Item No. 33, Proposal, at 3.

have a schedule and are required to leave on time. However, there may be instances where various circumstances outside of the Postal Service's control interfere with the delivery schedule. Despite these delays, carriers will strive to serve the community in a timely fashion and on a regular basis.³⁸

Several customers expressed a concern that postal employees at the Ellendale Post office were rude. Employee courtesy is always a concern of postal managers. Postal employees receive periodic instructions regarding postal courtesy. The Postal Service does not condone employee execution of their duties in an unprofessional or discourteous manner. This concern was conveyed to the postmaster by the Manager, Post Office Operations.³⁹

In response to a customer's concern about having to erect a rural mailbox, the Postal Service explained that customers are not required to erect rural mailboxes. Customers may apply to receive P.O. Box service from the Ellendale Post Office or any other location that is convenient for the customer.⁴⁰

Finally, some customers felt that the rural route should emanate from Owatonna rather than from Ellendale because that the Owatonna Post Office is closer to their residences. The delivery route was carefully reviewed to ensure

³⁸ FD at 3; Item No 22, Returned Customer Questionnaires and Postal Service Response Letters, at 5 and 15; Item No. 23, Postal Service Returned Questionnaire Analysis, at 3; Item No. 33, Proposal, at 3; Item No. 41, Revised Proposal, at 3.

³⁹ FD at 2-3; Item No. 22, Customer Completed Questionnaires and Postal Service Response Letters, at 24; Item No. 33, Proposal, at 3; Item No. 41, Revised Proposal, at 3.

⁴⁰ FD at 2; Item No. 23, Customer Questionnaires Analysis, at 3; Item No. 25, Customer Community Meeting Analysis, at 1; Item No. 33, Proposal, at 2; Item No. 41, Revised Proposal, at 2.

that the most cost-efficient service is provided. Owatonna is in a different three-digit ZIP Code from Ellendale, so mail processing is done in a different location, meaning that mail to Ellendale does not travel together with mail for Hope customers.⁴¹

Thus, the Postal Service properly concluded that Hope customers will continue to receive regular and effective service by rural route carrier service emanating from the Ellendale Post Office.

Effect upon the Hope Community

The Postal Service is obligated to consider the effect of its decision to close the Hope Post Office upon the Hope community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Hope is an unincorporated rural community located in Steele County. The community is administered politically by county and township boards. Steele County Sherriff's Office provides police protection services. Owatonna and Ellendale Fire Departments provide fire protection services. Ellendale and Owatonna provide schools. The community is comprised of retirees, farmers,

⁴¹ Item No. 25, Customer Community Meeting Analysis, at 1.

those employed in local businesses and those who commute to nearby towns.⁴²

While there are several businesses and organizations, the questionnaires returned by Hope customers indicate that, in general, the residents travel elsewhere for most other supplies and services.⁴³ Those businesses, moreover, were provided the same opportunities as other customers to make their views known during the discontinuance study if they chose to do so.

Communities generally require regular and effective postal services and these will continue to be provided to the Hope community. Rural route delivery service operated out of the Ellendale Post Office is expected to be able to handle mail delivery to Hope customers. In addition, the Postal Service has concluded that other nonpostal services provided by the Hope Post Office will be available at the Ellendale Post Office. Government forms sometimes provided by the Post Office will also be available at the Ellendale Post office or by contacting local government agencies.⁴⁴

Moreover, as explained during the discontinuance study, a community's identity derives from the interest and vitality of its residents and their use of its name. Customers were concerned about having to make an address change on

⁴² FD at 6; Item No. 16, Community Survey Sheet; Item No. 33, Proposal, at 6; Item No. 41, revised Proposal, at 6..

⁴³ FD at 5; Item No. 33, Proposal, at 6; Item No. 41, Revised Proposal, at 6.

⁴⁴ FD at 5; Item No. 33, Proposal, at 6; Item No. 41, Revised Proposal, at 6.

their bank checks and stationery. Customers can continue to use the Hope community name, although the ZIP Code will have to change⁴⁵

Petitioners and many customers asked why the Hope Post office was being discontinued while others were retained. The administrative record explains, however, that Post Offices are reviewed on a case-by-case basis. When there is a vacancy in a small office, it is customary to conduct a study of the business activity and investigate the feasibility of providing service by alternative means. In this case, it was determined that the Postal Service could continue to provide a maximum degree of effective and regular postal services to the community while realizing an estimated cost savings of \$21,390 annually after discontinuation of the Hope Post Office.⁴⁶

Petitioners also expressed concern about the effect on local businesses of closing the Hope Post Office.⁴⁷ Petitioners were concerned that the loss of the Post Office would have a detrimental effect on the Hope business community. There is no indication that the Hope business community will be adversely affected. Businesses generally require regular and effective postal services and these will continue to be provided to the Hope business community. The questionnaires returned by Hope postal customers indicate that, in general, Hope

⁴⁵ FD at 2; Item No. 22 Postal Service Response Letters, at 18; Item No. 33, Proposal, at 2; Item No. 41, Revised proposal, at 2.

⁴⁶ FD at 2; Item No. 38, Proposal, at 2; Item No. 41, Revised Proposal, at 2.

residents will travel elsewhere for other supplies and services, but will continue to use local businesses if the Hope Post Office is discontinued.⁴⁸

In sum, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Hope Post Office on the community and businesses served by the Hope Post Office.

Economic Savings

Postal officials also properly considered the economic savings that would result from the proposed closing, as required by 39 U.S.C. § 404(d)(2)(A)(iv). The estimated annual savings associated with discontinuing the Hope Post Office are \$21, 390. Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record and consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv).

Petitioner Wilke criticizes the Postal Service for failing to account for costs borne by customers to travel to other Post Offices. Such costs are not, however, required to be included in the economic savings calculation. In this case, the Postal Service appropriately applied its financial analysis to calculate the economic savings, as the pertinent statute requires that the “economic savings *to the Postal Service*” be factored in the savings calculation. See 39 USC

⁴⁸ FD at 5; Item No. 22, Completed Customer Questionnaires and Postal Service Response Letters: Item No. 33, Proposal, at 6; Item No. 41, Revised Proposal, at 6.

404(d)(2)A)(iv) (emphasis supplied). In any event, the Postal Service does look generally at customer costs as part of its evaluation of the impact upon the community and customers. Some customers may well need to travel more to access postal service, but most of them will also be able to do so as part of trips that serve multiple purposes.

Petitioners challenge the Final Determination on grounds that the small amount of savings that will be achieved by discontinuing the Hope Post Office, alleging that the savings achieved by closing small rural Post Offices would be less than one tenth of one percent of the Postal Service's entire operational budget. While this may seem insignificant to Petitioner, it is significant to the overall cost reduction focus of the Postal Service. The Postal Service is looking at all opportunities to operate efficiently while continuing to provide effective and regular service. While the savings from any given initiative may seem small, these savings can make a difference when added together.

Several Petitioners suggested that there are other strategies that the Postal Service could employ on a national basis to achieve economies and realize savings. The Postal Service has broad experience in managing the postal system.⁴⁹ In this case, it has determined that rural route carrier service from the nearby Ellendale Post Office is a more cost-effective solution than maintaining

⁴⁹ Indeed, today announcements are being made about those mail processing facilities which may be closed in connection with planned service standard changes.

the Hope Post office. The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations.

Thus, the conclusion, that replacement service by rural rote delivery would lead to significant savings, is sound. Most pick up and delivery of mail will be accomplished by the rural route carrier, whose minor costs have been calculated. The Postal Service estimates are supported by record evidence and are in accordance with applicable statutory obligations. The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The former Postmaster retired on November 1, 1996. A PMR was installed as the temporary officer-in-charge (OIC). The non-career PMR may be separated from employment. The record shows that no other employee would be adversely affected by this closing.⁵⁰ Therefore, in making its determination, the Postal Service considered the effect of closing on employees at the Hope Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

⁵⁰ FD at 6; Item No. 38, Proposal, at 8; Item No. 41, Revised Proposal, at 8.

Conclusion

As reflected throughout the administrative record, the Postal Service has followed proper procedures and carefully considered the effect of closing the Hope Post Office on the provision of postal services and to the Hope community, the impact on the community and local businesses, the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Hope customers. The Postal Service respectfully submits that this conclusion is consistent with, and supported by, the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Hope Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Hope Post Office be affirmed.

Respectfully submitted,

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